



W5 Solutions completes the acquisition of Kongsberg Target Systems and issues 357 984 new shares

W5 Solutions AB (publ) ("W5 Solutions" or the "Company") has today completed the acquisition of the Norwegian company Kongsberg Target Systems AS ("KTS") in accordance with the acquisition agreement announced on 31 March 2023. In connection with the completion of the acquisition, the Board of Directors of W5 Solutions has decided on a directed new issue of 357 984 shares to the sellers of KTS at a subscription price of SEK 69.94 per share.

W5 Solutions entered into an agreement on 31 March 2023 to acquire all shares in KTS for an initial purchase price of approximately MSEK 45.2, partly in a cash payment of MNOK 20 (MSEK 20.2), partly in the form of 357 984 newly issued consideration shares in W5 Solutions equal to about MSEK 25.0 (the "**Consideration Share Issue**").

The Board of Directors of W5 Solutions has today, with the support of the issue authorisation, decided on the Consideration Share Issue. The subscription price in the Consideration Share Issue is set at SEK 69.94 per share, corresponding to the volume-weighted average price ("**VWAP**") of W5 Solutions' shares on the Nasdaq First North Growth Market during the ten trading days up to and including 13 March 2023, which was the last trading day immediately preceding the date of the announcement of the letter of intent regarding the acquisition. The subscription price is determined following negotiations with the sellers of KTS and the Board of Directors considers that a VWAP is a more accurate way of measuring the share's quoted value than a closing price at a certain trading day or the average price during only one trading day. The shares in the Consideration Share Issue are subject to lock-up commitments with effect from the seventh month after the completion of the acquisition until the twelfth month after the completion.

The Consideration Share Issue increases W5 Solutions' share capital by SEK 17 899 from SEK 663 270.20 to SEK 681 169.40, and the number of shares increases by 357 984, from 13 265 404 to 13 623 388, which corresponds to a dilution for existing shareholders of approximately 2.6 percent.

In addition, two additional cash earn-outs may be paid based on the price development of W5 Solutions' shares. The first earn-out shall correspond to 50 percent of the difference between SEK 100 per consideration share and the volume-weighted average price of the Company's share during the trading days occurring during the twelfth month after the completion of the acquisition, but not more than MSEK 16. The second earn-out shall correspond to 50 percent of the difference between SEK 150 per consideration share and the volume-weighted average price of the Company's share during the trading days occurring during the thirtieth month after the completion of the acquisition, but not more than MSEK 24. The right to earn-out payment is subject to the respective sellers not divesting any consideration shares to a greater extent than agreed by the parties during the thirty months following the completion of the acquisition, and that no consideration shares are divested during the first twelve months (in respect to the first earn-out). Furthermore, the sellers shall be entitled to an earn-out corresponding to the difference of SEK



150 per consideration share and the price of the Company's share in the event that, during the thirty months following the completion of the acquisition, (i) the Company is delisted or (ii) the sellers divest the consideration shares in the context of a procedure whereby 67 percent or more of the shares in W5 Solution come into the hands of the same owner.

For more information, please contact:

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About Kongsberg Target Systems

Kongsberg Target Systems is one of the leading global suppliers of electronic target systems and has offered quality solutions to customers worldwide since its inception in 1995. The latest unique product from Kongsberg Target Systems, Kongsberg eScore, was launched in 2021 and is the world's first-ever professional software platform for electronic target shooting. KTS has around 25 employees and is headquartered in Heistadmoen, Norway.

For more information, please visit: www.kongsbergtargets.com

About W5 Solutions

W5 Solutions supplies high-technology systems and solutions to government agencies and defence integrators.

We are experts in training and simulation, mission systems, communication, power supply, and integration. W5 Solutions' service and support team ensures high reliability through the longevity of the system.

Learn more at www.w5solutions.com.

The company is listed on the Nasdaq First North Growth Market Stockholm. Redeye AB is the company's Certified Advisor.

Attachments

[W5 Solutions completes the acquisition of Kongsberg Target Systems and issues 357 984 new shares](#)